United Nations A/70/708

General Assembly

Distr.: General
29 January 2016

Original: English

Seventieth session
Agenda item 134
Programme budget for the biennium 2016-2017

Progress on the implementation of a flexible workplace at United Nations Headquarters

Report of the Secretary-General

Summary

The present report provides an update on the status of implementation of flexible workplace strategies since the issuance of the report of the Secretary-General on the comprehensive business case for the application of flexible workplace strategies at the United Nations (A/69/749). The report is submitted pursuant to section VII, paragraph 12, of General Assembly resolution 69/274 A and responds to requests contained in paragraphs 5, 6, 7 and 9 of that section.

In January 2016, after the conclusion of the flexible workplace pilot project and following extensive consultations, the first phase of implementation started with the move of occupants of the 13th, 18th and 19th floors of the Secretariat Building to a flexible workplace environment in temporary space. The occupants are scheduled to move back to reconfigured space on their original floors at the end of March 2016.

The next phase will start in April 2016 with the move of occupants of the 20th, 21st and 32nd floors to a flexible workplace environment in temporary space. Those occupants will move back to reconfigured space on their original floors at the end of June 2016. Discussions with other departments are under way to finalize plans for subsequent phases.

The outreach to and engagement with departments showed that the project involves substantial organizational change, in terms of both working methods and culture. Accordingly, the project team is adopting an incremental approach to implementation ensuring that flexible workplace solutions are customized to meet departments' specific needs. In this way, the flexible workplace project is designed to have a positive impact on productivity, as requested by the General Assembly, and on staff satisfaction.

16-01297 (E) 110216

Please recycle

A revision of construction costs reflecting the most recent available rates and the increased focus on customization of Secretariat floors has resulted in an increase in the estimated costs per floor for the project anticipated in the original business case.

Whereas it was anticipated in the report on the comprehensive business case that the Secretariat would be able to vacate three leased buildings as a result of the project, the revised business case set out in the present report is based on the assumption that the Secretariat will be able to discontinue leases in two commercially rented buildings in Manhattan in 2017 and 2018. The costs of implementing the revised project will be offset entirely by reductions in rent and operating costs by 2023, following which these reductions will continue on a recurrent basis.

The General Assembly is requested to take note of the progress made in the implementation of a flexible workplace, to approve the revised project sequence and next steps, as described in sections VIII and XI of the report and to take note of the revised estimated cost of the project. The Assembly is also requested to approve the related resource requirements for the biennium 2016-2017 and to request the Secretary-General to submit the next report at the main part of its seventy-second session.

I. Introduction

1. The present report provides an update on progress in the implementation of flexible workplace strategies since the issuance of the report of the Secretary-General on the comprehensive business case for the application of flexible workplace strategies at the United Nations (A/69/749). The report is submitted pursuant to section VII, paragraph 12, of General Assembly resolution 69/274 A and responds to requests contained in paragraphs 5, 6, 7 and 9 of that section. The Assembly requested a review of project costs and a closer examination of personal technology requirements. The outcome of this review is provided in paragraphs 37 and 38 below.

2. With respect to furniture and minor construction requirements, the project team has attempted to contain project costs by adopting an integrated and modular design and contracting process to optimize the results of a competitive solicitation and minimize the likelihood of change orders and cost escalations. Opportunities for reuse of furniture and information technology equipment are considered in paragraph 61.

3. The impact of the project on productivity and staff morale is assessed on an ongoing basis through surveys conducted before and after transition to a flexible workplace environment in temporary space and after the move to the final location. More detail on this subject and on complementarities with flexible working arrangements is provided in section VII below.

4. The project owner of the strategic heritage plan in Geneva and his senior management colleagues are kept abreast of the project approach, feedback from pilot participants and staff and lessons learned by the Assistant Secretary-General for Central Support Services, who serves as the project owner of the flexible workplace project.

5. With the move to temporary space of the occupants of the pilot space on the 18th and 19th floors of the Secretariat Building in January 2016, the pilot has ended. The lessons learned from the pilot are described in paragraph 26.

II. Implementation of planned activities in 2015

A. Establishing the project team

6. In accordance with the guidance and direction given by the General Assembly, the Secretariat proceeded to implement the activities outlined as the next steps in section XI of the previous report of the Secretary-General (A/69/749).

7. The resources comprising the project team were assembled. The Design and Construction Manager (P-4) was on board in April 2015, the Project Manager (P-5) was on board in July 2015 and the Administrative Assistant (General Service (Other level)) was selected in August 2015.

B. Contracting arrangements

8. The project required the provision of a number of contractual services, linking these services in ways that would:

(a) Enable the assessment of workspace and support needs of individual departments on a floor-by-floor basis;

(b) Enable the customization of floor designs to meet those needs, while ensuring an effective and efficient approach to contracting for design and construction services, allowing for customization while minimizing contractual changes.

9. As described in the previous report of the Secretary-General, the Secretariat engaged the services of consultants experienced in workplace redesign and transformation in large organizations. The consultants have been assisting in the refinement and redesign of flexible workplace space designs and the project approach on the basis of feedback from pilot participants, internal communications, departmental engagement, work needs assessment and the conceptual design process.

10. Building on the advances made under the capital master plan in terms of creating an open and modern office space environment, the Secretariat engaged the services of an architectural firm to render the conceptual floor designs into modular schematic designs for low-, mid- and high-rise floors of the Secretariat Building. The modular designs allow the project team to adjust the composition of different space types and otherwise customize changes to floors according to the specific needs of departments, as well as to contract for the construction and reconfiguration services using established base prices and prices for modular additions and subtractions. In this way, the Secretariat has been able to conduct a competitive solicitation process for the construction and reconfiguration services, using the modular approach to floor design before the designs are finalized, which takes place only after in-depth engagement with individual departments as the project proceeds from phase to phase.

11. The solicitation for construction and reconfiguration services is being issued in February 2016, and it is anticipated that a contract will be executed by April 2016. In order to maintain the project schedule, the swing space and first phase are making use of existing contracts.

C. Interdisciplinary working group

12. An interdisciplinary working group comprising participants from the Office of Human Resources Management, the Office of Communications and Information Technology, the Office of the Under-Secretary-General for Management and the Office of Central Support Services was assembled to guide the project at the working level. The group has been meeting on a weekly basis since May 2015.

D. First phase

13. A number of factors were considered in determining the scope and timing of the first phase of the project. Sufficient time was needed to make contractual

arrangements for the services required. Seasonal workload patterns were taken into account as well as the ramp-up activities and implementation of Umoja in early November 2015. In discussions with the offices concerned, it was decided that the first phase would involve the 13th, 18th and 19th floors, comprising the Office of Information and Communications Technology, the Office of the United Nations High Commissioner for Human Rights and the Office of Human Resources Management.

14. In the first phase, all occupants of those floors moved to a flexible workplace environment in temporary space in early January 2016 and are scheduled to move back to reconfigured space on their original floors in late March.

15. The project team decided to use a generic approach to the design of the temporary space to avoid the costs and delays of reconfiguration between phases. Moving costs are reduced, because in a flexible workplace environment staff take their own laptop computers, and moves involve mainly stored and shared resources. The design of the temporary swing space has meant that staff have been able to practise operating in the new environment and to determine what specific measures and protocols would work when they move back to their reconfigured floors.

E. Departmental engagement

16. The process of engagement with departments on the project started in June 2015 through a sequence of meetings with department heads. The purpose of the meetings was to explain the main aspects and rationale of the flexible workplace project and to establish points of contact in each department and office for follow-up, with in-depth discussions to identify specific departmental requirements. These interactions with departments showed that there was a need for greater than anticipated specific tailored adjustments, including, for example, to front offices areas and enclosed spaces for small meetings of two or three people. Consequently a greater customization of floors was required than had initially been anticipated.

17. These initial high-level discussions were followed by a series of articles geared towards staff at large on the Secretariat's intranet (iSeek) to explain why the Organization is implementing flexible workplace strategies, what a flexible workplace is and how to work in such an environment.

18. Reactions to these articles reflected concerns regarding the changes that the flexible workplace will bring to the overall operational environment and daily work routines of staff as well as the level of anxiety of some staff towards this change. It became clear that a more intense change management and engagement process was required.

III. Assessment of departmental requirements and customization process

19. Each department is requested to designate a primary focal point on a floor-by-floor basis. These focal points need to be familiar with the overall departmental structure, the kinds of work undertaken, the work style of each group and other main aspects of their operations. They also identify the different groups on each floor and find key people in each group who can assist with in-depth needs assessment.

20. The focal points and other key people in each group are issued a survey to gather information in three broad areas:

(a) Work styles, looking at different parameters of whether work is predominantly predictable and routine or unpredictable and ad hoc, the mix of individual versus collaborative work, the frequency and size of meetings and whether participants are primarily internal to the group or include external participants;

(b) The technology needs of the group;

(c) The special space needs, including storage and the frequency and kinds of visitors, for example, officials from other departments or delegates from permanent missions.

21. If necessary, the project team also convenes focus groups drawing participants from within the work groups to gain a better understanding of specific topics if survey results are mixed or inconclusive.

22. The project team also consults with the elected staff representatives of the offices and departments to explain the engagement and design process and solicit their input.

23. Drawing on information gathered from the surveys, interviews and focus groups, the project team condenses the information gathered into summarized narratives of the work needs analyses. These narratives are then discussed with the focal points, key people and staff representatives to ensure that they accurately describe and reflect the work of the groups. Adjustments are made as necessary until all parties agree that the narratives are accurate.

24. The individual needs analyses are merged to produce an overall needs analysis for each floor reflecting the requirements of all groups intended to occupy the floor. The project team then converts the work needs analyses into floor design options that contain the appropriate mix of flexible workplace and other support space types and presents them to the focal points. Discussions continue among the project team, focal points, other key people and staff representatives until agreement is reached on the final floor designs.

25. The timing of this phase of engagement with departments is arranged to be sufficiently close to the implementation date to ensure full engagement and with sufficient lead time for designs to be approved before the move to temporary space.

IV. Space types

26. The feedback gathered from participants in the pilot project and general input from staff has led to a number of refinements in the project space types. It became apparent that more and better personal storage would be needed than was provided in the pilot project. It was also clear that changes were needed to ensure proper behaviour in the quiet zones to reduce distractions and support focused work. Changes were also made to the working lounge designs. Compared with the pilot project, working lounges would contain less low-level seating and more normal-height seating, and some of the sofa seating would be replaced with booth-style spaces to be more functional as meeting spaces for small groups. The project also provides small enclosed spaces intended for private meetings for two or three people.

27. Whereas in the pilot project only one type of collaboration zone and one type of quiet or focus zone was provided, taking advantage of the entire floor in the Secretariat Building, as illustrated in the annex, the revised project design provides a greater variety of different space types. These are outlined below.

A. Primary zone

28. The primary work zone is primarily for team-based work but will also support individual work as required. These zones will be located in high-traffic areas. Since the visibility of colleagues is a key element in the intended function of this space, partitions are low. A number of the workstations have variable-height work surfaces, and all are equipped with double monitors. Conversations and phone calls are expected (i.e. these are not intended to be quiet zones).

B. Flexible zone

29. Workspaces in the flexible zones are intended primarily for individual work. Therefore they are being located in lighter-traffic areas and have medium-height partitions to give some privacy. A number of the workstations have variable-height surfaces, and all work surfaces are equipped with double monitors. Since work in those areas will be flexible, conversations and phone calls are expected.

C. Mobile zone

30. Mobile zones are intended for short-term use, for example between meetings, and can support team interaction as required. They are being located in high-traffic areas, some clustered near floor entry areas and others distributed throughout the floor. The individual workspaces are slightly narrower than the other spaces, a number of them have variable-height work surfaces, and they are all equipped with single monitors. Visibility between colleagues is important in this zone, so there are no partitions between workspaces. Conversations and phone calls are expected.

D. Quiet zone

31. In the Secretariat Building, the quiet zone for focused work will be configured on the narrower west side of the building. This helps to keep pedestrian traffic to a minimum and thus aids in enforcing the behaviour guidelines essential to the efficient working of the quiet zones. Those areas are designed primarily for focused work and do not support collaboration. They are similar in function to a quiet car on a train or a study space in a public library. The desks are designed to afford visual privacy, with higher partitions, fabric side panels and angled surfaces. A number of the work surfaces are of variable height, and all workspaces are equipped with double monitors. Desk phones are not being provided, and conversations and phone calls are strongly discouraged.

E. Enclosed booths

32. Enclosed booths are intended for short-term use, primarily for tasks that demand privacy, such as confidential phone calls or individual videoconferences. They are intended mainly for individual work of short duration. They are being distributed throughout the floor but will be located mainly along the core of the building. Most work surfaces are at a height suitable for seated work and are equipped with dual monitors and desk phones.

F. Enclosed meeting suites

33. Enclosed meeting suites are intended predominantly for teamwork, whether for short meetings or extended work sessions, and are of varying sizes. They are situated mainly between corner Director offices, near the north or south end of the core of the building or close to elevator lobbies. They are primarily for seated work and are equipped with power and data ports and large wall-mounted monitors as required.

G. Open collaboration zones, including working lounges

34. A number of spaces on the floors have different arrangements of loose furniture to support informal meetings. In addition, the working lounges are typically located in the north-west and south-east corners of the floors. They are intended for short-term use, whether for lunch, standing work, informal team meetings or discussions or social gatherings. They provide a mix of standing and seated options with power and data ports, and respect for nearby work areas is encouraged.

H. Offices of Under-Secretaries-General, Assistant Secretaries-General and Directors

35. The project team will engage with all departments to determine their requirements for enclosed offices. The initial assumption of the project team is that departments will wish to retain their existing enclosed spaces, as they not only provide privacy and allow for the confidential activities of senior officials, but also serve as reception areas for high-level visitors. Since the flexible workplace project is creating space efficiencies, thereby allowing departments to co-locate staff currently in leased annex buildings in the Secretariat, it is the general assumption of the project team that Under-Secretary-General, Assistant Secretary-General and D-2 offices will be retained for their use and that D-1 offices will be shared. Departments will have the option to make modifications, for example, to reconfigure the enclosed offices to serve as meeting rooms when the senior officials are not using them. This is at the discretion of each department according to its needs.

I. Other spaces

36. Other spaces, as required, include reception areas, special storage areas and other special spaces tailored to the needs of the specific department.

V. Flexible workplace technology

37. Considering the experiences of pilot project participants and the concerns expressed by Member States in General Assembly resolution 69/274 A, section VII, paragraph 5, the working group agreed that the standard personal technology package for each staff member would consist of only a laptop computer. Smartphones would not be considered as a standard provision. The existing desk phones in the Secretariat and other buildings will be installed on the reconfigured floors. The project will not require any additional desk phones, and existing monitors and large-screen equipment are being reused to the extent possible. The estimated costs for subsequent phases of the project have been adjusted to reflect the elimination of smartphones and to take into account the average cost of laptop computers over the duration of the project.

38. The Office of Information and Communications Technology is studying the use of soft phones for possible implementation. A soft phone is an application that runs on a laptop or desktop computer that, with the addition of a headset, is convenient to use and has the potential to replace many desk phones.

VI. Communications plan

39. A communications strategy is being carried out to address the areas of concern expressed by department heads and staff. The themes fall into three broad categories.

40. First, topics related to the main concepts underpinning the flexible workplace have been addressed. These include flexible and shared seating, the handling of privacy and confidential materials, how to choose work zones, the different workspace types and the process of departmental engagement and customization of floors to a department's needs.

41. A second sequence of topics has dealt with the personal impact of the project. These include managing noise and disturbance, personal storage, personal technology and how to find colleagues who may not be in the same workspace throughout the day. The first two sequences of topics were considered to be of interest to all staff and related articles were posted on iSeek in November and December 2015.

42. Finally, a sequence of messages was directed at helping to prepare individuals for their moves to the temporary flexible workplace environment. Those messages dealt with the logistics of moving and the clean-desk policy and explained the pre- and post-move surveys administered to assess staff satisfaction with the changes and the process. The messages were sent as direct e-mails in November and December 2015 to the staff participating in the first phase and will be sent to staff participating in subsequent phases as the project progresses.

43. Since December 2015, the project team has also been hosting regular tours of the primary flexible workplace swing space to demonstrate the different space types and provide staff and managers with general ideas on the possibilities for customization. Staff can register for these tours through an online event registration tool.

44. It is the intention of the project team to issue articles of general interest marking major project milestones, such as when phases are started or completed.

VII. Impact on productivity

A. Productivity

45. The assessment of productivity was undertaken through the administration of the workplace performance index (WPI) developed by the consultancy firm contracted to assist with the redesign of the workplace and the transformation to a flexible workplace. The WPI is administered anonymously, captures the demographics of survey participants and measures how and where employees spend their time, how effectively the spaces they use support their work and their overall impression of the workplace and work environment. The core questions of the WPI have been statistically tested, and measures of space effectiveness and individual attribute scores have been shown to be both valid and reliable. Industry surveys confirm that it is a reliable indicator of the impact on productivity for these types of workplace transformation initiatives.

46. In November 2014, the WPI was administered randomly to over 4,000 New York-based staff members and more than 850 responses were received. In December 2015, staff members participating in the first phase were asked to complete the WPI prior to moving into the flexible workplace environment. After moving and again once they have worked in the new environment for several months, this group of staff members will be asked to complete the WPI again.

47. The approach of administering the WPI both before and after the transition to the flexible workplace environment allows the Organization to better determine the impact of the new environment on workplace satisfaction and to address the matter of productivity as requested by the General Assembly. The responses to the WPI will be analysed and reported as part of the next progress report of the Secretary-General.

B. Staff well-being

48. The number of sick leave days (certified and uncertified) is used as a proxy indicator for staff well-being. With this approach, data from the period before the implementation of the flexible workplace pilot is compared with data after implementation.

49. The pilot population consisted of 58 staff members in the Office of Human Resources Management who joined the Organization prior to November 2013 and who were still part of the flexible workplace pilot in October 2015. The entire Department of Management with the same criteria was used as a control group.

Table 1
Average number of sick days taken per staff member, by leave type

Group	*Sick leave type*	*Before flexible workplace*[a]	*After flexible workplace*[b]
Pilot participants (Office of Human Resources Management)[c]	Certified	5.5	5.5
	Uncertified	4.1	3.8
	Total	**9.6**	**9.3**
Control group (entire Department of Management)	Certified	5.5	5.8
	Uncertified	4.4	4.2
	Total	**9.9**	**10**

[a] November 2013-October 2014.
[b] November 2014-October 2015.
[c] Comprising 58 staff.

50. The comparison between the time period "before flexible workplace" and "after flexible workplace" and between the flexible workplace pilot population and the control group shows very little difference. The data review does not show any significant impact of the flexible workplace on staff well-being, using sick leave as a proxy indicator. However, as the data sample is small, further data will be analysed as project phases are implemented, and updated information will be provided in the next progress report.

C. Flexible working arrangements

51. Flexible working arrangements involve adjustments to normal working hours and work locations, providing managers and staff with flexibility in delivering their work in the most effective and efficient way possible. Flexible working arrangements, along with a flexible workplace, can help provide staff with modern, adaptable working arrangements suited to individual needs. Increased flexibility and autonomy result in greater motivation and higher productivity, and thus contribute to the fulfilment of the Organization's mandates. The Organization supports the use of flexible working arrangements, which not only help staff balance the demands of work with life outside the office but also respond to the challenge to find new and better ways of managing people, time, space and workload. Telecommuting in particular enhances existing business continuity plans, as it allows the Organization to maintain critical functions in times of crisis. Remote working also has wide-ranging and long-term benefits, such as reducing environmental damage, providing solutions for special-needs populations and lowering requirements for infrastructure and energy.

52. The Secretary-General's bulletin on flexible working arrangements (ST/SGB/2003/4) is being revised to include expanded options for flexible working arrangements.

53. In view of the transition to the flexible workplace environment and the need to find innovative ways to manage people, time, space and workload effectively, the Assistant Secretary-General for Human Resources Management has, on a trial basis, authorized extended telecommuting arrangements during the first phase of

implementation of the flexible workplace. Depending on the experiences gathered during the first phase, extended arrangements will be considered for subsequent phases of the project.

54. Flexible working arrangements are supported through designated focal points in all department and offices. The yearly utilization report will allow the Organization to determine whether the use of flexible working arrangements will change once the flexible workplace project is fully implemented.

VIII. Real estate plans

55. In the report of the Secretary-General on the business case for the application of flexible workplace strategies, it was anticipated that, through space efficiencies gained by the implementation of a flexible workplace on 26 floors of the Secretariat Building, approximately 800 staff previously located in leased annex buildings could be accommodated in the building and the Secretariat would be able to discontinue leases in three buildings, namely, the Daily News Building, at 220 East 42nd Street, the UNFCU Building, at Court Square in Long Island City, and the Albano Building, at 305 East 46th Street. A number of developments have led the Secretariat to re-evaluate and adjust this plan.

56. As stated above, engagement with departments and staff at large on this subject has clearly shown that the project represents a substantial change in the day-to-day work environment. Some departments have asked for more time to consider how a flexible workplace can be best incorporated into their operations, and it is clear that an aggressive schedule of transformation to a flexible workplace is not achievable, as a far more intensive change management effort is required. This need has obliged the project team to put greater emphasis on communications, outreach activities and engagement with staff and departments, which in turn necessitates planning later phases of the project based on the successes achieved in earlier phases.

57. Since one of the primary objectives of the project is to provide space that meets the specific work needs and styles of the individual departments occupying the floors, the implementation of a flexible workplace involves understanding how to optimize the space for the each department's operational requirements in the new environment. Through this measured approach to implementation, the project team expects to build on successes as the project is implemented. With the guidance given by the General Assembly in its resolution 68/247 B, section IV, paragraph 3, the best approach to ensuring that the project has a positive impact on productivity is through increased customization of floors to meet specific departmental needs, thereby increasing staff satisfaction with the workplace, which is closely correlated with productivity. This additional focus on customization has resulted in an increase in the estimated reconfiguration costs for each floor.

58. While the business case presented in the previous report included a plan to vacate the UNFCU Building at the end of the current lease in February 2018, consideration has been given to the comparative cost of leases and the potential for rationalizing and co-locating administrative support functions through a global service delivery model and in the light of the provisions of General Assembly resolution 70/248 concerning real estate needs at Headquarters and the recommendations of the Advisory Committee on Administrative and Budgetary

Questions (A/69/810, para. 28). Bearing in mind these considerations, at the current stage it is considered prudent to retain the lowest-cost leased space in the current real estate portfolio. This is in compliance with resolution 70/248, section XVIII, paragraph 2, in which the Assembly endorsed the recommendation of the Advisory Committee (A/70/7/Add.22, para. 19) that other options for meeting the long-term accommodation requirements of Headquarters be considered. Thus the Secretariat plans to continue occupancy of the UNFCU Building beyond the expiry of the lease in February 2018.

59. As mentioned in the context of the previous report on the business case, it was planned that the Albano Building would be vacated at the end of the current lease. In December 2015, the Department for General Assembly and Conference Management informed the Department of Management that after extensive consultations with staff, it wished to continue occupancy of the Albano Building beyond the current lease, due to expire at the end of January 2018.

60. These various factors have caused the Administration to revise its real estate plans in the immediate and near term. The current plan is for the Secretariat to vacate its lease in the Daily News Building when it expires at the end of April 2017 and its lease in the Innovation Building when it expires at the end of September 2018. The Daily News Building accommodates 125 staff and the Innovation Building 616.

A. Reuse of furniture and information technology equipment

61. Existing chairs, loose furniture such as shelves, filing cabinets, small tables and meeting room furniture, monitors and large-screen equipment will be reused. Opportunities for reusing desktop computers that are being replaced by laptop computers as the project proceeds are being explored.

B. Subsequent phases of the project

62. The project team has planned the second phase of the project, which will involve the 20th, 21st and 32nd floors, affecting the Office of Central Support Services, the Office of Programme Planning, Budget and Accounts, the Office of the Under-Secretary-General for Management, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the Office of the Special Adviser on Africa. The occupants of those floors will move to temporary space in April 2016 and will return to reconfigured floors towards the end of June. The project team is in discussion with other departments and offices to develop plans for subsequent project phases.

63. With reference to the project plan presented in the previous report, the revised sequence is as follows:

(a) Fit out swing space as a flexible workplace (July-October 2015). The first occupants moved into the space in November 2015 and the remaining participants in January 2016;

(b) Reconfigure the Secretariat Building into a flexible workplace (January 2016-August 2018). The project team has plans for the reconfiguration of six floors in the first half of 2016 and is discussing plans for reconfiguring other floors in the

second half of the year. It is expected that sufficient additional capacity in the Building will have been created before August 2018 to be able to vacate leases as planned;

(c) Reconfigure some annex building floors as a flexible workplace (July 2016-December 2017). The project team is discussing plans to reconfigure three floors of the FF Building and five floors of the DC1 Building, which would result in additional capacity for approximately 150 staff;

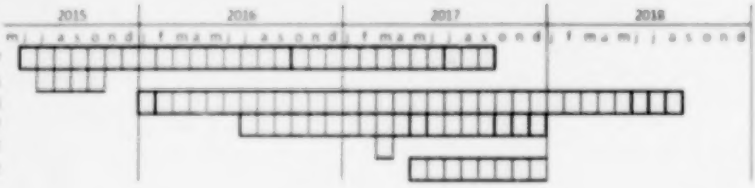
(d) Vacate the Daily News Building (March 2017); occupants will be moved into the space made available in other buildings;

(e) Vacate the Innovation Building (May-December 2017); occupants will be moved into the space made available in other buildings.

64. The revised project schedule is illustrated below.

Flexible workplace implementation project schedule

Activity	Month	Start	End
Planning and departmental engagement	28	Jun 15	Sep 17
Swing space fit-out	4	Jul 15	Oct 15
Reconfiguration of Secretariat	32	Jan 16	Aug 18
Reconfiguration of annex space	18	Jul 16	Dec 17
Vacate Daily News Building	1	Mar 17	Mar 17
Vacate Innovation Building	8	May 17	Dec 17



IX. Integration with other transformational initiatives, long-term accommodation options, Umoja and global service delivery model

65. The flexible workplace project and the project to study long-term accommodation options for Headquarters are both managed in the Facilities Management Service in the Office of Central Support Services. The two projects are closely coordinated.

66. As described in section VIII above, the flexible workplace project team is coordinating its activities with the team studying global service delivery options. The Office of Central Support Services also provides updates to the Inter-Agency Network of Facility Managers on the progress of the flexible workplace project in New York.

X. Expenditure, revised estimated cost and proposed funding

A. Expenditures

67. The expenditures incurred for the project in 2015 are summarized by activity in the table 2 below, and a breakdown by object of expenditure is provided in table 3. Project expenditure in 2015 amounted to approximately $600,000 less than anticipated because implementation began later than planned.

Table 2
Project expenditure in 2015, by activity
(United States dollars)

Activity	*Expenditure*
Planning and design services	328 640
Swing space	3 104 188
Secretariat Building	1 559 847
Moves	26 250
Project supervision and management	201 941
Total	**5 220 866**

Table 3
Project expenditure in 2015, by object of expenditure
(United States dollars)

Object of expenditure	*Expenditure*
Other staff costs	201 941
Contractual services	1 925 102
Furniture and equipment	3 093 823
Total	**5 220 866**

B. Revised estimated costs of the project

68. The costs and project plan for the implementation of a flexible workplace at Headquarters have been revised using as a basis the actual unit costs of the first phase of the project, as these are the most recent available comparable costs. While the actual unit costs of subsequent phases may be lower, with the potential for economies of scale and since the contract will be tailored for this specific project, at present the procurement of this contract is still under way and the final cost unknown. The revised implementation plan ensures that the project will create sufficient additional capacity to make it possible to vacate the Daily News and Innovation Buildings as planned.

69. Under the plan, phases and costs for the renovation of 26 floors of the Secretariat Building, 3 floors of the FF Building and 5 floors of the DC1 Building are projected, which will enable the accommodation of approximately 800 staff in the Secretariat Building, 75 staff in the FF Building and 75 staff in the DC1 Building. This will be more than sufficient to accommodate the 741 staff vacating the Daily News and Innovation Buildings.

70. The revised project plan is estimated to cost $65,709,396, representing an increase of $16,110,796 compared with the amount of $49,598,600 presented in the previous report. A detailed year-by-year breakdown of the expenditures and estimated total cost compared with the estimated project costs shown in A/69/749 is provided in table 4 below.

Table 4
Project cost, by activity
(United States dollars)

Activity	*2015*	*2016*	*2017*	*2018*	*Total*	*Number of floors*	*Additional staff accommodated (target)*
A/69/749, annex I							
Planning and design services	500 000	–	–	–	500 000	–	
Secretariat Building reconfiguration/renovation	3 516 400	18 303 800	9 546 600	–	31 366 800	26	800
FF Building reconfiguration/ renovation	–	591 200	11 704 300	1 040 200	13 335 700	8	150
Swing space	1 422 800	407 600	407 600	67 900	2 305 900	–	–
Additional moves	26 200	240 800	355 300	92 700	715 000	–	–
Subtotal	**5 465 400**	**19 543 400**	**22 013 800**	**1 200 800**	**48 223 400**	–	–
Project supervision and management	353 600	471 500	471 500	78 600	1 375 200	–	–
Total	**5 819 000**	**20 014 900**	**22 485 300**	**1 279 400**	**49 598 600**	–	–
Leases to be vacated: Daily News, Albano and Court Square							
Offsetting of project cost through reductions in rent and maintenance: by 2020							
Present report							
Planning and design services[a]	328 640	966 400	466 400	233 200	1 994 640		
Secretariat Building reconfiguration/renovation[b]	1 559 847	21 083 377	17 357 945	9 435 296	49 436 465	26	800
FF Building reconfiguration/ renovation[c]	–	–	4 035 800	–	4 035 800	3	75
DC1[c]	–	–	1 727 600	2 591 400	4 319 000	5	75
Swing space[d]	3 104 188	86 904	86 904	86 904	3 364 900		
Additional moves[e]	26 250	40 250	71 750	130 000	268 250		
Subtotal	**5 018 925**	**22 176 931**	**23 746 399**	**12 476 800**	**63 419 055**		
Project supervision and management[f]	201 941	630 000	729 200	729 200	2 290 341		
Total	**5 220 866**	**22 806 931**	**24 475 599**	**13 206 000**	**65 709 396**		
Leases to be vacated: Daily News, Innovation							
Offsetting of project cost through reductions in rent and maintenance: by 2023							

(Footnotes on following page)

(Footnotes to Table 4)

[a] The significant increase is due to additional change management and engagement activities carried out with departments for the customization process.

[b] In A/69/749, estimated costs were projected for the reconfiguration of 26 floors with minimal construction. Under the current project, the reconfiguration of approximately 26 floors is anticipated at higher per floor cost, using the latest available prices and factoring more customization and hence more construction on each floor.

[c] Under the project outlined in A/69/749, it was projected that 8 floors in the FF Building would need to be reconfigured, which would make it possible to accommodate 150 additional staff. Under the current project, 3 floors would be reconfigured in the FF Building and 5 floors in DC1, making it possible to accommodate 150 additional occupants at a lower cost (for annex buildings).

[d] The present report shows the actual costs of swing space.

[e] The present report assumes that a smaller number of additional moves will be needed, primarily because the occupants of the Albano Building will not move during this project.

[f] Project management and supervision costs are projected to increase to cover the costs of additional project coordinators.

71. The costs of remaining activities of the revised project for the implementation of a flexible workplace at Headquarters from 2016 to 2018 are estimated at $60,488,530, comprising: planning and design services ($1,666,000), Secretariat Building reconfiguration ($47,876,618), annex building reconfiguration ($8,354,800), renovation and maintenance of swing space ($260,712), additional staff moves to off-campus buildings ($242,000) and the staffing of the project team ($2,088,400), as described in detail below.

Contractual project planning and change management services ($1,666,000)

72. The remaining estimated costs are based on contracted rates for the project planning and change management services. This involves the in-depth engagement with the affected departments in each project phase to undertake the work needs analyses that inform the designs of each floor and drafting communications and presentation materials for outreach to departments and staff.

Secretariat Building reconfiguration and implementation costs ($47,876,618)

73. The remaining estimated costs for the Secretariat Building are based on a similar scope and contracted rates for the first phase of implementation on the 13th, 18th and 19th floors. The project team expects to reconfigure 26 floors in the building, including 11 in 2016, 9 in 2017 and 6 in 2018.

Annex building reconfiguration and implementation costs ($8,354,800)

74. The remaining estimated costs for annex buildings are based on square footage rates for similar works conducted in 2015 in the FF Building. The project team is in discussions with departments that need flexible workplace environments to be configured in the FF and DC1 Buildings. With an estimated cost of $1,354,800 for information technology set-up, the total cost of annex building reconfiguration is $8,354,800. The conceptual floor plans developed for the floors in question in the FF Building show an increase in capacity of 25 occupants per floor, and the floor plans for the DC1 Building show an increase in capacity of 15 occupants per floor. The anticipated total gain for the two buildings would be 150 occupants.

Swing space ($260,712)

75. Swing space comprises 20,000 square feet in the third basement of the General Assembly Building. The amount of $260,712 includes provision for cleaning and ensuring operations for the duration of the project.

Additional staff moves ($242,000)

76. As departments are consolidated in the newly reconfigured buildings, some staff will be required to move to swing space in existing buildings that is not reconfigured as part of the flexible workplace project. The total estimated cost for those additional moves is $40,250 in 2016, $71,750 in 2017 and $130,000 in 2018.

Project management team ($2,088,400)

77. The costs of the flexible workplace project management team are estimated at $630,000 in 2016, $729,200 in 2017 and $729,200 in 2018. The team approved by the General Assembly in resolution 69/274 A consists of one Project Manager (P-5), one Design and Construction Manager (P-4) and one General Service (Other level) staff member. Starting in 2016, the phase-by-phase implementation of the flexible workspace will involve a larger volume of work than did the preparation of the swing space. Therefore it is anticipated that two additional Facilities Management Assistants (General Service (Other level)) will be required on an ongoing basis until the project is completed. It is therefore proposed that two Facilities Management Assistant positions be added for the duration of the project under general temporary assistance.

C. Proposed funding of the project

78. From the revised real estate plan, the project expects to achieve savings in lease and operational costs, as set out in table 5.

Table 5
Expected savings in lease and operational costs
(United States dollars)

	Savings		
Activity	*2017*	*2018*	*2019 and subsequent years*
Vacate Daily News Building in April 2017	2 209 328	3 313 992	3 314 000
Vacate Innovation Building in May and September 2018	–	2 539 032	9 295 286
Total	**2 209 328**	**5 853 024**	**12 609 286**

79. As indicated in section VIII and illustrated in table 5 above, the Secretary-General intends to relinquish leases as they expire on two commercial properties (the Daily News and the Innovation Buildings) in 2017 and 2018, which would result in reduced rental costs and related operating costs in the amount of $2.2 million in 2017, $5.9 million in 2018 and $12.6 million annually from 2019 onward. From the revised cost and lease plans, it is estimated that the costs of

project implementation to achieve the space efficiencies required to vacate the Daily News and Innovation Buildings will be offset by the resulting reductions in rental costs by 2023.

80. As described in paragraphs 67 to 77 above and as reflected in table 4, the implementation of flexible workplace strategies at United Nations Headquarters would require resources in the amount of $65.7 million over four years, from 2015 to 2018. Of that amount, $5.2 million of the $5.8 million authorized by the General Assembly in its resolution 69/274 A has been expensed in 2015, as set out in tables 2 and 3 above. Remaining resource requirements in the amount of $60.5 million would be needed in 2016, 2017 and 2018 to implement the project.

81. At this stage, the Secretary-General requests commitment authority in the amount of $47.3 million for the biennium 2016-2017. The actual expenditures would be reported in the second performance report on the programme budget for the biennium 2016-2017 and an appropriation requested in that context. It should be noted that the second performance report would also reflect reduced rental and related operating costs in the amount of $2.2 million as a result of vacating the Daily News Building, and therefore the net additional appropriation on Member States would be $45.1 million (should the commitment authority be fully spent).

82. With regard to the resource requirements for 2018, it is the intention of the Secretary-General to include them in the proposed programme budget for the biennium 2018-2019 in the amount of $13.2 million. It should be noted that the budget proposal for that biennium would at the same time reflect reduced resources for rental and related operating costs in the amount of $18.5 million, for a net reduction of $5.3 million resulting from the implementation of flexible workspace.

Table 6
Expected savings and project costs
(United States dollars)

	Project costs	*Savings*	*Net cumulative (costs) savings*	*Additional (reduced) appropriation*
2015	5 220 866	–	(5 220 866)	5 220 866
2016-2017	47 282 530	2 209 328	(50 294 068)	45 073 202
2018-2019	13 206 000	18 462 310	(45 037 758)	(5 256 310)
2020-2021	–	25 218 572	(19 819 186)	(25 218 572)
2022-2023	–	25 218 572	5 399 386	(25 218 572)
Total	**65 709 396**	**71 108 782**	**5 399 386**	**(5 399 386)**

XI. Next steps

83. Subject to the continuing endorsement of the General Assembly, the Secretariat will:

(a) Proceed with detailed planning and preparatory work for subsequent phases of the implementation plan;

(b) In parallel with the detailed planning efforts, continue the extensive engagement with departments, staff representatives and all relevant stakeholders, take into account their concerns and adjust the implementation plans accordingly;

(c) Continue to work closely with the team developing the global service delivery model and other interested duty stations, including the United Nations Office at Geneva, in the light of General Assembly resolution 69/274 A, section VII, paragraph 10;

(d) On the basis of experiences gathered, continue to undertake planning on the further implementation of a flexible workplace at Headquarters to achieve further rationalization of office space use and space efficiencies, thereby enabling further savings on real estate expenditure costs;

(e) Continue to develop business cases to offset the costs of implementation in subsequent years against reductions in leases and operational costs.

84. The outcome of these steps will be reported in the next progress report of the Secretary-General, to be submitted to the General Assembly at the main part of its seventy-second session.

XII. Actions requested of the General Assembly

85. **The General Assembly is requested:**

(a) **To take note of the progress made since the issuance of the last report on the implementation of a flexible workplace at United Nations Headquarters;**

(b) **To approve the revised project sequence, as described in section VIII above, and the implementation schedule for the period 2016 to 2018;**

(c) **To approve the next steps for the implementation of flexible workplace strategies at the United Nations, as described in section XI above;**

(d) **To take note of the revised estimated cost of the project, as described in section X above;**

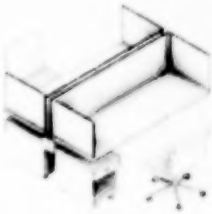
(e) **To approve the continuation of three temporary positions (1 P-5, 1 P-4, and 1 General Service (Other level)) for the project team, and two additional General Service (Other level) positions, with effect from 1 April 2016;**

(f) **To authorize the Secretary-General to enter into commitments up to the amount of $47,282,500 in respect of the project costs in 2016-2017, as set out in paragraph 81 above;**

(g) **To request the Secretary-General to submit the next report to the General Assembly at the main part of its seventy-second session.**

Annex

Details of flexible workplace space types

	Mobile	Primary	Flexible	Quiet
	60-inch-wide desk No centre panel or side panels	70-inch-wide desk; 42-inch-high centre panel 42-inch-high fabric panels on both sides	72-inch-wide desk; 54-inch-high centre panel 48-inch-high fabric panels on both sides	60-inch-wide desk; 54-inch-high centre panel 54-inch-high fabric side panels
				
Supported work modes/ policy	Intended for short-term use; supports team interaction as required	Primarily for team-based work; supports individual work as required	Primarily for individual work; emphasis on privacy	Primarily for focus work; does not support collaboration
Percentage	5-10	0-80	0-80	15-25
Circulation/location	High traffic; cluster near floor entry; others distributed on floor	High traffic; general open area; adjacent to Director offices or mobile zones	Low traffic; in niches	Low traffic; west side of building
Desks per cluster	1 to 10	1 to 8	1 to 8	1 to 4
Typical size	5 feet wide	6 feet wide	6 feet wide	5 feet wide
Panel heights	Colleague visibility	Colleague visibility	Partial seated privacy	Seated privacy
Noise level/desk phone	Loud; phone calls okay	Loud; phone calls okay	Moderate; phone calls okay	Quiet; no desk phones provided
Sit/stand	A portion will be sit/stand	A portion will be sit/stand	A portion will be sit/stand	A portion will be sit/stand
Monitors	Single	Double as needed	Double as needed	Double as needed